



Entered on Docket  
November 14, 2006

Hon. Linda B. Riegle  
United States Bankruptcy Judge

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Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
USA COMMERCIAL MORTGAGE COMPANY,  
Debtor.

In re:  
USA CAPITAL REALTY ADVISORS, LLC,  
Debtor.

In re:  
USA CAPITAL DIVERSIFIED TRUST DEED FUND,  
LLC,  
Debtor.

In re:  
USA CAPITAL FIRST TRUST DEED FUND, LLC,  
Debtor.

In re:  
USA SECURITIES, LLC,  
Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR  
Case No. BK-S-06-10726 LBR  
Case No. BK-S-06-10727 LBR  
Case No. BK-S-06-10728 LBR  
Case No. BK-S-06-10729 LBR  
Chapter 11  
Jointly Administered Under  
Case No. BK-S-06-10725 LBR

**ORDER APPROVING FIRST INTERIM  
APPLICATION FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR (I)  
MESIROW FINANCIAL INTERIM  
MANAGEMENT, LLC AS CRISIS MANAGERS  
FOR THE DEBTORS; AND (II) THOMAS J.  
ALLISON OF MESIROW FINANCIAL  
INTERIM MANAGEMENT, LLC AS CHIEF  
RESTRUCTURING OFFICER FOR THE  
DEBTORS DURING THE TIME PERIOD  
APRIL 14, 2006 THROUGH JULY 31, 2006**

Date: September 28, 2006  
Time: 9:30 a.m.

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This matter came before the Court upon the first interim application (the “**MFIM First Interim Fee Application**”) for compensation and reimbursement of expenses for (i) Mesirow Financial Interim Management, LLC (“**MFIM**”) as crisis managers for USA Commercial Mortgage Company, USA Capital Realty Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, USA Capital First Trust Deed Fund, LLC and USA Securities, LLC, debtors and debtors in possession herein (collectively, the “**Debtors**”), and (ii) Thomas J. Allison of MFIM as Chief Restructuring Officer for the Debtors during the time period April 14, 2006 through July 31, 2006 (the “**Interim Period**”). The Court finds that due and adequate notice of the MFIM First Interim Application has been given. All comments and objections having been filed, including those of the United States Trustee, Joseph Milanowski and Thomas Hantges, the Official Committee Of Unsecured Creditors, JV Direct Lenders, Roy Ventura, the Richard and Shelia McKnight 2000 Family Trust and Richard McKnight Sep-Ira (collectively known as the “**Objections**”), have been resolved or overruled consistent with the provisions of this Order. A hearing having been held and the Court being fully advised in the premises:

**IT IS HEREBY ORDERED THAT** MFIM’s interim compensation for professional services rendered to the Debtors during the Interim Period in the amount of \$3,364,398.00 (representing 100% of the actual fees incurred during the Interim Period) is hereby approved and awarded; and

**IT IS FURTHER ORDERED THAT** MFIM’s interim allowance for reimbursement of expenses incurred by it in connection with its representation of the Debtors during the Interim Period in the amount of \$213,812.00 (representing 100% of the expenses incurred during the Interim Period) is hereby approved and awarded; and

**IT IS FURTHER ORDERED THAT** MFIM and the United States shall, within 60 days after entry of this Order, meet and confer to attempt to resolve the United States Trustee’s informal fee objection or comments to the MFIM First Interim Fee Application. After conferring, if the United States Trustee believes a continuing objection is warranted, the United States Trustee shall file that objection with the Court and notice it for hearing in accordance with the procedures in place in this matter. To the extent that any portion of the United States Trustee’s objection is

upheld by the Court, any reduction in fees may be offset against future fees awarded to MFIM. The obligation to meet and confer to attempt to resolve the United States Trustee's information objection or comments is not a condition precedent to this interim award or payment of MFIM's fees and expenses as set forth herein; and

**IT IS FURTHER ORDERED THAT** the award of compensation and reimbursement approved and awarded to MFIM in the total amount of \$3,578,210.00, which includes \$3,364,398.00 in fees and \$213,812.00 in expenses incurred during the Interim Period, shall be allocated among the Debtors' estates as follows, on a temporary basis, subject to objections to the allocated amounts that may be filed only by the USA Commercial Mortgage Company ("USACM") Unsecured Creditors Committee ("UCC"), the First Trust Deed Fund ("FTDF") Committee and the Diversified Trust Deed Fund ("DTDF") Committee prior to the deadline for objections to the final fee allowance or such other date as may be agreed to by the signatories hereto:

- (a) 80.0% of fees and expenses or \$2,862,568.00 to the estate of USACM;
- (b) 9.375% of fees and expenses or \$335,457.19 to the estate of USA Capital Diversified Trust Deed Fund, LLC;
- (c) 9.375% of fees and expenses or \$335,457.19 to the estate of USA Capital First Trust Deed Fund, LLC;
- (d) 0.75% of fees and expenses or \$26,836.58 to the estate of USA Securities, LLC;
- (e) 0.50% of fees and expenses or \$17,891.05 to the estate of USA Capital Realty Advisors, LLC; and

**IT IS FURTHER ORDERED THAT** the above amounts are hereby allowed as priority administrative expenses pursuant to 11 U.S.C. §§ 503(b)(2) and 507(a)(1) in the respective bankruptcy estate to which they have been allocated, subject to all provisions of this Order; and

**IT IS FURTHER ORDERED THAT** the Debtors are hereby ordered and authorized, pursuant to 11 U.S.C. §§ 330 and 331, to pay the above amounts from the respective estate to MFIM as set forth herein, provided that:

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- (1) MFIM shall be paid the amount it initially allocated to the USA Capital First Trust Deed Fund, LLC estate in the MFIM First Interim Fee Application, *i.e.* 2.9% of fees only or \$98,861.00, from the USA Capital First Trust Deed Fund, LLC estate; and
- (2) the additional amount allocated to the USA Capital First Trust Deed Fund, LLC estate under the UCC settlement, *i.e.* \$236,596.19 (the “**Additional Amount**”), shall be paid initially by the USACM estate, pending resolution of disputes over inter-estate claims between the USACM estate and USA Capital First Trust Deed Fund, LLC estate, and with a full reservation of the FTDF Committee’s right to contest the Additional Amount allocated to the USA Capital First Trust Deed Fund, LLC estate if no agreement is reached; and

**IT IS FURTHER ORDERED THAT** the MFIM First Interim Fee Application, as well as this award, are interim in nature as provided in the Court’s Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals entered August 29, 2006 (Docket No. 1202).

Submitted by:  
RAY QUINNEY & NEBEKER P.C. and  
SCHWARTZER & MCPHERSON LAW FIRM

Approved / Disapproved by:  
OFFICE OF THE U.S. TRUSTEE

By: \_\_\_\_\_  
JEANETTE E. MCPHERSON, ESQ.  
*Attorneys for Debtors and Debtors-in-Possession*

By: \_\_\_\_\_  
AUGUST B. LANDIS, ESQ.

Approved/Disapproved by:  
LEWIS AND ROCA, LLP

Approved/Disapproved by:  
GORDON & SILVER, LTD.

By: \_\_\_\_\_  
SUSAN M. FREEMAN, ESQ.  
ROB CHARLES, ESQ.  
*Counsel for the Official Committee of  
Unsecured Creditors of USA Commercial  
Mortgage Company*

By: \_\_\_\_\_  
GERALD M. GORDON, ESQ.  
GREGORY E. GARMAN, ESQ.  
*Counsel for the Official Committee of  
Holders of Executory Contract Rights of  
USA Commercial Mortgage Company*

**ORDER APPROVING FIRST INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR (I) MESIROW FINANCIAL INTERIM MANAGEMENT, LLC AS CRISIS MANAGERS FOR THE DEBTORS; AND (II) THOMAS J. ALLISON OF MESIROW FINANCIAL INTERIM MANAGEMENT, LLC AS CHIEF RESTRUCTURING OFFICER FOR THE DEBTORS DURING THE TIME PERIOD APRIL 14, 2006 THROUGH JULY 31, 2006**

Approved/Disapproved by:  
ORRICK, HERRINGTON & SUTCLIFFE LLP  
and BECKLEY SINGLETON, CHTD.

Approved/Disapproved by:  
STUTMAN TREISTER & GLATT, P.C. and  
SHEA & CARLYON, LTD.

By: \_\_\_\_\_  
MARC A. LEVINSON, ESQ.  
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BRETT A. AXELROD, ESQ.  
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*Counsel for the Official Committee of  
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By: \_\_\_\_\_  
FRANK A. MEROLA, ESQ.  
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First Trust Deed Fund LLC*

Approved by:  
JONES VARGAS

Approved by:  
LAW OFFICE OF RICHARD MCKNIGHT

By: \_\_\_\_\_  
JANET L CHUBB, ESQ.  
*Counsel for Direct Lenders-Beneficiaries*

By: \_\_\_\_\_  
RICHARD MCKNIGHT, ESQ.

Approved by:

By: \_\_\_\_\_  
RUSSELL WALKER, ESQ.  
*Counsel for USA Investment Partners, Joseph  
Milanowski, and Thomas Hantges*

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1 In accordance with LR 9021, counsel submitting this document certifies as follows (check one):

2       \_\_\_ The court has waived the requirement of approval under LR 9021.

3       \_\_\_ No parties appeared or filed written objections, and submitting counsel represents the  
4 Trustee.

5       X I delivered a copy of this proposed order by email on October 23, 2006 to all counsel  
6 who appeared at the hearing, any unrepresented parties who appeared at the hearing, and any  
7 trustee appointed in this case, and each has approved or disapproved the order, or failed to  
8 respond, as indicated below:

8       Failed to respond:

9       *Office of U.S. Trustee*

10       *Gordon & Silver, Ltd.*

11       *Orrick Herrington/Beckley Singleton*

12       *Jones Vargas*

13       *Law Office of Richard McKnight*

14       *Russell Walker, Esq.*

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